

## Message Text

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PAGE 01 STATE 064785

20

ORIGIN COME-00

INFO OCT-01 NEA-10 ISO-00 EB-07 AID-05 OPIC-06 XMB-04

TRSE-00 AGR-10 CIAE-00 FRB-01 INR-07 NSAE-00 USIA-15

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 /076 R

DRAFTED BY COM/BIC/CAGNE/LJENSEN:SIA

APPROVED BY EB/CSB:JWBILLER

COM/BIC/CAGNE/PBHALE

STATE/NEA/AFN/LMURRAY (PHONE)

STATE/EB/OSB/RBUCK (PHONE)

STATE/NEA/RA/KKOLB (PHONE)

AID/NESA/JBROOKS (PHONE)

OPIC/PMCCALLUM (PHONE)

EXIMBANK/JHUBER (PHONE)

TREASURY/LATLAS (INFO)

----- 058125

R 171837Z MAR 76

FM SECSTATE WASHDC

TO AMEMBASSY TUNIS

UNCLAS STATE 064785

E.O. 11652: N/A

TAGS: USTSJC, ETRD, BEXP, TS, US

SUBJECT: WORKING GROUPS ON TRADE AND ON INVESTMENT

1. SUMMARY: WASHINGTON TRADE AND INVESTMENT WORKING GROUPS MET IN COMBINED SESSION AT USDOC MARCH 8 TO REVIEW STATUS OF ISSUES RAISED DURING AND SINCE OCTOBER JOINT COMMISSION MEETING. GENERAL AGREEMENT THAT ISSUES ARE ON TRACK AND THAT MEETING WAS USEFUL FOR INTERAGENCY DIALOGUE, INCLUDING GOT EMBASSY PARTICIPATION. GOT REP ASKED AID TO CONSIDER FUNDING SHORT-TERM EXPORT ADVISOR TO CEPEX. END SUMMARY.

UNCLASSIFIED

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PAGE 02 STATE 064785

2. 15 PARTICIPANTS REPRESENTED GOT EMBASSY, AID, EXIMBANK,

OPIC, STATE AND COMMERCE. TREASURY UNABLE ATTEND MEETING, WHICH WAS CHAIRED BY ROGER MCCAULEY, DEPUTY DIRECTOR, USDOC/CAGNE. AGENDA AND MINUTES BEING POUCHED.

3. PRINCIPAL TRADE SUBJECTS INCLUDED:

A) GSP: REVIEW OF US REGULATIONS UNDERScored GROUP'S UNDERSTANDING THAT GOT MUST STILL DELIVER TO USG COPY OF CERTIFICATE OF ORIGIN FORM AND APPROVED SIGNATURES BEFORE MARCH 31. SUBJECT OF HOW TO REQUEST ADDITIONS TO LIST OF ELIGIBLE PRODUCTS, E.G. TABLE WINE AND BOTTLED OLIVE OIL (I.E. IN CONTAINERS WHOSE TOTAL WEIGHT IS LESS THAN 40

POUNDS EACH) WAS DISCUSSED. FYI. RELEVANT MATERIAL CONTAINED IN FEDERAL REGISTER OF DECEMBER 31, 1975 (PP. 60047-49), HAS BEEN SENT SEPARATELY TO EMBASSY TUNIS IN FRENCH TRANSLATION. END FYI.

B) EXIMBANK REP NOTED EXIM'S FAVORABLE VIEW OF TUNISIA AND FACT THAT EXIM HAS REVISED UPWARD TUNISIA'S RATING (TO SECOND CATEGORY), RESULTING IN REDUCED FEES FOR INSURANCE AND EXPORT CREDIT. REP MENTIONED RECEIPT OF ZAAOUNI LETTER IN JANUARY LISTING FIVE AREAS FOR WHICH GOT WISHES EXIM FINANCING: AIRCRAFT FOR TUNIS AIR (FOR WHICH EXIM AUTHORIZED LOAN JANUARY 8); LOCOMOTIVES (FOR WHICH EXIM ISSUED PRELIMINARY COMMITMENTS TO GE AND GM ON MAY 15, 1975); FLIGHT AND GROUND EQUIPMENT FOR CIVIL AVIATION SCHOOL; MACHINE TOOLS FOR CIE. TUNISIENNE DE NAVIGATION; AND SMALL AIRCRAFT FOR TUNISAVIA. EXIM FAVORABLY DISPOSED TO LOOK AT ANY REQUESTS GOT MAY WISH SUBMIT. EXIM HAS ALSO SENT BROCHURES ON THE BANK'S PROGRAMS TO GOT EMBASSY, WASHINGTON.

C) GOT EMBASSY REP MONCEF BEN AMMAR TABLED REQUEST FOR AID TO CONSIDER PROVIDING AND FUNDING SHORT-TERM ADVISOR TO CEPEX TO ASSIST GOT EXPORT PROMOTION TO US AND OTHER INDUSTRIALIZED COUNTRIES. ENSUING DISCUSSION RAISED FACT THAT SIMILAR ADVISOR WAS PROVIDED TO MOROCCO RECENTLY FOR ONE-YEAR TERM. AID REP AGREED LOOK INTO POSSIBILITIES OF THIS REQUEST AND REPORT BACK AT LEAST PRELIMINARY FINDINGS WITHIN 60 DAYS.

4. PRINCIPAL INVESTMENT SUBJECTS INCLUDED:

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PAGE 03 STATE 064785

A) TRIANGULAR INVESTMENT PROJECTS: USDOC REP REFERRED TO FIVE API PROJECT DOSSIERS GIVEN TO US DELEGATION IN OCTOBER AND NOTED PLANS FOR FORTHCOMING ARTICLE IN "COMMERCE BUSINESS DAILY" WHICH WILL DESCRIBE THESE AS EXAMPLES OF KIND OF PROJECTS API WANTS EVEN IF LITTLE ADDITIONAL INFORMATION IS AVAILABLE ON THEM.

B) AGRIBUSINESS AND OTHER DIRECT INVESTMENT OPPORTUNITIES: OPIC REP CITED CLARIFICATION OF GOT POLICY ON SCOPE FOR

AGRIBUSINESS INVESTMENT AS EXCELLENT EXAMPLE OF JOINT COMMISSION DIALOGUE BENEFITTING BOTH SIDES BY ENABLING TWO GOVERNMENTS TO IDENTIFY AND CLARIFY ISSUE OF MUTUAL INTEREST.

E NOTED RECENT ARTICLE ON THIS SUBJECT IN OPIC'S "TOPICS" NEWSLETTER WHICH IS RECEIVED BY 6500 FIRMS. OPIC REPS ALSO NOTED OPIC IS CONSIDERING BROADENING COVERAGE FOR ALL COUNTRIES IN GENERAL AREA OF TECHNOLOGY, BY ADDING INSURANCE COVERAGE AGAINST WAR AND EXPROPRIATION. OPIC MAY ALSO BROADEN ITS INSURANCE COVERAGE IN HYDROCARBONS.

OPIC SPOKESMAN UNDERLINED FACT THAT OPIC'S EFFORTS TO INTEREST U.S. FIRMS IN TUNISIA DOES NOT INDICATE A REDUCTION IN USG INTEREST IN SEEING SATISFACTORY RESOLUTION OF NPK NEGOTIATIONS, AND EXPRESSED HOPE THAT THESE NEGOTIATIONS IN TUNIS WOULD BE RESOLVED SOON AND SATISFACTORILY.

WITH REFERENCE TO TUNISIAN AMBASSADOR HEDDA'S OCTOBER REQUEST FOR OPIC ASSISTANCE IN PROMOTING OLIVE OIL VENTURES, OPIC POINTED OUT ITS STANDING OFFER TO DO SO ONCE A SPECIFIC PROPOSAL IS PRESENTED. NOTING ALSO THAT GOT IS ALREADY ENGAGED IN DIRECT DISCUSSIONS WITH PRIVATE INDUSTRY REPS.

C) INVESTMENT ADVISOR: USG REPS NOTED SATISFACTION WITH RECENT APPOINTMENT OF MR. JACK HOEVELER AS INVESTMENT ADVISOR TO API. OPIC DESCRIBED ITS PLANS TO MAINTAIN CLOSE LINES OF COMMUNICATION WITH MR. HOEVELER, AND PROVIDE U.S. SUPPORT FOR HIS EFFORTS WHEREVER POSSIBLE.

D) TAX TREATY: STATE REP STATED TREASURY HAS COMPLETED SECOND DRAFT OF PROPOSED TREATY (BEING AIRPOUCHED TO UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 064785

EMBASSY). HE NOTED THAT USG AWAITS INDICATION FROM GOT AS TO DATE AND PLACE FOR NEXT STAGE OF NEGOTIATIONS.

5. SURPLUS DINARS: STATE REP NOTED THAT WE STILL AWAIT WORD FROM GOT CONCERNING OUR WILLINGNESS TO DISCUSS TRANSFER FUNDS TO THE CENTRAL BANK AS DESIRED BY GOT, EVEN THOUGH THE TOTAL AMOUNT OF AVAILABLE SURPLUS DINARS IS MODEST AND DECREASING.

6. STATE REP INFORMED GROUP OF RECENT DECISION TO AUTHORIZE AMBASSADOR TO NEGOTIATE SALE OF 20,000 TONS OF WHEAT VALUED AT APPROXIMATELY 2.9 MILLION DOLLARS UNDER TITLE I TERMS. U.S. HOPES THAT TUNISIAN ECONOMY WILL CONTINUE IMPROVE SO THAT CONCESSIONAL WHEAT AID WILL NO LONGER BE NEEDED. IN RESPONSE TO TUNISIAN REP QUESTION

WHETHER REPAYMENT TERMS WOULD BE "AS BEFORE" (IN BOTH  
DINARS AND DOLLARS), REPLY STATED THAT TITLE I IS NO  
LONGER SOLD FOR LOCAL CURRENCY AND THAT REPAYMENT MUST BE  
IN DOLLARS ALTHOUGH ON LONG-TERM AT VERY FAVORABLE  
INTEREST RATE. STATE REP ADDED THAT THIS LOAN WOULD  
SUPPLEMENT AN ESTIMATED 7 MILLION DOLLARS IN TITLE II  
GRANTS TO U.S. VOLUNTARY AGENCIES IN TUNISIA THIS FISCAL  
YEAR. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE PROMOTION, EXPORTS, COMMITTEE MEETINGS, INVESTMENTS, TAX AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** SIA  
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**Errors:** N/A  
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**TAGS:** EINV, ETRD, BEXP, TS, US, USTSJC  
**To:** TUNIS  
**Type:** TE  
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